

## Message Text

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46

ORIGIN NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 AGR-05 SS-15 OMB-01 SSO-00

CCO-00 /044 R

DRAFTED BY NEA/PAB:JPMULLIGAN/NH

APPROVED BY NEA:ADUBS

EB/OFPPFD:CCAVANAUGH (DRAFT)

AID/AA/ASIA:MADLER (SUBS)

AID/AC/FFP:DSHAUGHNESSY (PHONE)

USDA/OGSM:GPOPE/HLNORTON (DRAFT)

OMB:PDESAULT (PHONE)

S/S:MR. SEBASTIAN

S: HAL COLLUMS

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O 111742Z AUG 76 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY AIRCRAFT IMMEDIATE

C O N F I D E N T I A L STATE 199257 TOSEC 200331

FOR SECRETARY THROUGH ATHERTON FROM NEA

E.O. 11652: GDS

TAGS: OVIP (KISSINGER, HENRY A.), EAID, PK

SUBJECT: ACTION MEMORANDUM - PL-480 ASSISTANCE FOR  
PAKISTAN (S/S NO. 7617137)

### 1. THE PROBLEM.

WE ARE READY TO IMPLEMENT YOUR ANNOUNCEMENT THAT 200,000 TO  
OF WHEAT WILL BE MADE AVAILABLE TO PAKISTAN FOR RECOVERY  
FROM FLOODS. THERE ARE THREE DIFFERENT WAYS THIS MIGHT BE  
DONE AND THE OPTIONS OFFERED BELOW ARE POSED TO YOU FOR  
CONSIDERATION RELATIVE TO OUR COMMITMENT.

### 2. DISCUSSION/ANALYSIS.

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THE FIRST ALTERNATIVE (OPTION A) IS TO PROVIDE 200,000 TONS OF WHEAT UNDER TITLE I. THIS OPTION COULD BE IMPLEMENTED WITHIN A FEW DAYS AND WOULD ENTAIL AN AMENDMENT TO AN AUGUST 7, 1975, AGREEMENT FOR SUPPLY WITHIN THE TRANSITIONAL QUARTER. IT PRESUMES (AS DO THE OTHER OPTIONS) THAT THE GO WOULD BE ABLE TO BUY AND SHIP ALL OR THE GREATER PORTION OF THE 200,000 TONS BY SEPTEMBER 30, 1976. SHIPMENT AFTER THAT DATE WOULD COME FROM PAKISTAN'S FY 77 ALLOCATION.

THE SECOND ALTERNATIVE (OPTION B) IS TO PROVIDE 150,000 TONS OF WHEAT UNDER TITLE I AND 50,000 TONS UNDER TITLE II THE LATTER UNDER A GOVERNMENT-TO-GOVERNMENT AGREEMENT. THE ADVANTAGE OF THIS OPTION IS THAT THE 50,000 TONS WOULD CONSTITUTE GRANT ASSISTANCE. THE DRAWBACKS TO THIS OPTION ARE THE INABILITY OF THE GOP TO ABSORB LARGE QUANTITIES OF DONATED WHEAT OUTSIDE OF THE MARKET, THE GOP'S POOR RECORD IN CARRYING OUT TITLE II PROGRAMS IN THE PAST, AND THE EXCESSIVE TIME AND DIFFICULTY INVOLVED IN NEGOTIATING A TITLE II AGREEMENT. MOREOVER, WE WOULD HAVE TO MONITOR THE PROGRAM AND THE GOP'S INABILITY TO PROGRAM THIS MUCH WHEAT IN ADDITION TO AMOUNTS ALREADY BEING ABSORBED THROUGH VOLUNTARY AGENCIES WOULD BE A CAUSE OF RECURRING IRRITATION AND DIFFICULTY IN OUR BILATERAL RELATIONS IN THE MONTHS AHEAD.

THE THIRD AND SIMILAR ALTERNATIVE (OPTION C) IS TO PROVIDE 150,000 TONS UNDER TITLE I AND 50,000 TONS UNDER TITLE II THROUGH THE WORLD FOOD PROGRAM. THIS WOULD ALSO TAKE TIME AND WOULD REQUIRE NEGOTIATION SIMILAR TO OPTION B. IN ADDITION, IT WOULD REQUIRE AGREEMENT BY THE WORLD FOOD PROGRAM WHICH ALREADY HAS SUBSTANTIAL PROJECT ACTIVITIES IN PAKISTAN AND MAY NOT BE ABLE TO UTILIZE ADDITIONAL COMMODITIES. ALTHOUGH THIS OPTION HAS THE ADVANTAGE OF FREEING THE USG FROM THE ADMINISTRATIVE PROBLEMS AND BILATERAL IRRITANTS THAT WOULD BE ASSOCIATED WITH A DIRECT TITLE II PROGRAM, A WFP PROJECT WOULD STILL REQUIRE GOP MANAGEMENT INPUTS, WHICH ARE TRADITIONALLY WEAK.

### 3. THE OPTIONS

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A. OFFER 200,000 TONS OF WHEAT UNDER TITLE I FOR DELIVERY AND SHIPMENT WITHIN THIS TRANSITIONAL QUARTER.

PRO

-- QUICK AND EASY AMENDMENT TO EXISTING AGREEMENT  
-- OFFERS MAXIMUM FLEXIBILITY TO GOP WITH A MINIMUM OF RED TAPE

CON

-- DOES NOT CONTAIN A GRANT COMPONENT

B. OFFER 150,000 TONS UNDER TITLE I AND 50,000 TONS UNDER  
TITLE II GOVERNMENT-TO-GOVERMENT AGREEMENT

PRO

-- THE 50,000 TONS WOULD BE NEGOTIATED AS GRANT ASSISTANCE

CON

-- PAKISTAN HAS NOT SHOWN ITSELF ABLE TO RECEIVE AND DIS-  
TRIBUTE MAJOR QUANTITIES OF DONATED WHEAT FOR DISTRI-  
BUTION OUTSIDE THE MARKET. WE HAVE HAD DIFFICULTIES  
WITH THE GOP'S PERFORMANCE IN CARRYING OUT TITLE II  
PROGRAMS IN THE PAST.

-- AGREEMENTS OF THIS TYPE TAKE TIME TO NEGOTIATE AND RISK  
DIFFICULTIES IN THE PROCESS.

-- THE GOP WOULD LOSE FLEXIBILITY UNDER THIS ARRANGEMENT.

C. OFFER 150,000 TONS UNDER TITLE I AND 50,000 TONS UNDER  
TITLE II UNDER THE WORLD FOOD PROGRAM AND WITHIN THE  
TRANSITIONAL QUARTER.

PRO

-- THE 50,000 TONS WOULD BE NEGOTIATED AS GRANT ASSISTANCE

-- OFFERING THIS ASSISTANCE THROUGH THE WORLD FOOD PROGRAM  
WOULD RELIEVE THE USG OF THE MAJOR PROBLEMS ASSOCIATED  
WITH A DIRECT TITLE II AGREEMENT

CON

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-- TIME CONSUMING NEGOTIATIONS SIMILAR TO OPTION B WOULD  
STILL BE REQUIRED

-- IN ADDITION WE WOULD HAVE TO OBTAIN THE AGREEMENT FOR  
WORLD FOOD PROGRAM PARTICIPATION.

-- WFP MAY NOT HAVE THE CAPACITY TO UTILIZE ADDITIONAL  
COMMODITIES

-- THE GOP WOULD LOSE FLEXIBILITY UNDER THIS ARRANGEMENT.

5. RECOMMENDATION:

THAT YOU APPROVE OPTION A(200,00 TONS UNDER TITLE I)  
SINCE IT OFFERS A SPEEDY RESPONSE, WITH A MINIMUM OF RED

TAPE AND THE MAXIMUM OF FLEXIBILITY. IT ALSO IS FAVORED  
BY OTHER AGENCIES CONCERNED.

APPROVE

DISAPPROVE

ALTERNATIVELY:

THAT YOU APPROVE OPTION B (150,000 TONS TITLE I, 50,000  
TONS TITLE II).

APPROVE..... DISAPPROVE.....

ALTERNATIVELY:

THAT YOU APPROVE OPTION C (150,000 TONS TITLE I, 50,000  
TONS TITLE II, ALL OF WHICH WOULD BE PROVIDED THROUGH  
WORLD FOOD PROGRAM).

APPROVE..... DISAPPROVE.....

ALTERNATIVELY:

THAT WE DISCUSS THIS MATTER FURTHER UPON YOUR RETURN.

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APPROVE..... DISAPPROVE.....

6. DRAFTED: NEA/PAB:JMULLIGAN. APPROVED:NEA:ADUBS  
CLEARANCE: EB/OF/FFD:CCAVANUGH; AID/AA/ASIA:MADLER;  
AID/AC/FFP:DSHAUGHNESSY; USDA/OGSM:GPOP/HLNORTON;  
OMB:PDESAULT; S:HCOLLUMS S/S:PSEBASTIAN

ROBINSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TOSEC, PUBLIC DISCLOSURE, WHEAT, PL 480, FOOD ASSISTANCE  
**Control Number:** S7617137  
**Copy:** SINGLE  
**Draft Date:** 11 AUG 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
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**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** JPMULLIGAN/NH  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760309-0447  
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**Office:** ORIGIN NEA  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Review Authority:** ShawDG  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUL 2004  
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04 MAY 2006

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**Subject:** ACTION MEMORANDUM - PL-480 ASSISTANCE FOR PAKISTAN (S/S NO. 7617137)  
**TAGS:** OVIP, EAID, PK, US, (KISSINGER, HENRY A)  
**To:** SECRETARY AIRCRAFT  
**Type:** TE  
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